

COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Creating Community Through People, Parks and Programs"



Tim Gallagher, Director

July 15, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NO. 2 FOR COUNTY CONTRACT NO. 73283
WITH MERITAGE ROLLING HILLS GOLF, LLC FOR THE PREPARATION OF AN
ENVIRONMENTAL DOCUMENT AND THE DESIGN OF A COUNTY
GOLF COURSE AT THE PALOS VERDES LANDFILL
(Fourth District - Three-Vote Matter)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find this project categorically exempt from the California Environmental Quality Act (CEQA).
2. Approve and instruct the Chair to sign the attached Amendment No. 2 with Meritage Rolling Hills Golf, LLC, regarding the design of a new County golf course at the Palos Verdes landfill, the preparation of the required environmental document, extension of the term of the Option Agreement, and delegation to the Director of Parks and Recreation the authority to grant further extensions as may be necessary to complete the feasibility and environmental services required to bring a project to the Board of Supervisors for consideration.

PURPOSE / JUSTIFICATION OF RECOMMENDED ACTION

Approval of Amendment No. 2 to County Contract No. 73283, the option agreement with Meritage Rolling Hills Golf, LLC (Meritage) will allow for the continuation of the provision design services for a new County golf course at the Palos Verdes landfill site in the City of Rolling Hills Estates, including the preparation of the required draft environmental document.

Meritage is continuing its due diligence in order to complete the preparation of the required draft environmental document. However, there are several steps to be taken on the project, and a final environmental impact report cannot be prepared until there has been a complete analysis of the public comments that will be submitted during the public comment period on the draft EIR.

The new golf course will be planned and developed with private funds, but would be open to the public and operated by a management lessee. The Director of Parks and Recreation will return to your Board with a recommendation on the Final Environmental Report, a proposed management lease and related actions necessary to implement the project provided that all the option conditions are met and a development agreement is successfully negotiated.

Implementation of Strategic Plan Goals

Implementation of the proposed golf course capital improvement project enhances Service Excellence (goal number one) and Fiscal Responsibility (goal number four) through increasing the level of services to the public, investing in public infrastructure, and increasing utilization of public and private partnerships.

FISCAL IMPACT / FINANCING

There is no fiscal impact to the County General Fund. Meritage is solely responsible for all costs associated with the preparation of the design, plans and specifications, and the required draft environmental documents.

FACT AND PROVISIONS / LEGAL REQUIREMENTS

On March 20, 2001 your Board approved the Option Agreement that authorized the Director of the Department of Parks and Recreation to amend the Option Agreement and thereby extend the term of the agreement for a period not to exceed 120 days. The Director of Parks and Recreation executed Amendment No. 1 on March 31, 2003 thereby extending the term of the Option Agreement through July 29, 2003. The Option Agreement will expire on July 29, 2003 unless extended by your Board.

It is recommended that your Board extend the Option through January 31, 2004, and authorize the Director of Parks and Recreation, in the event that it becomes necessary to bring a recommendation on the project before the Board of Supervisors for consideration, to permit additional extensions in increments of 90 days each, consistent with the terms of the Agreement.

The amendment has been approved-as-to-form by County Counsel and executed by Meritage.

NEGATIVE DECLARATION / ENVIRONMENTAL IMPACT REPORT

Approval of this action is exempt from the California Environmental Quality Act (CEQA) according to section 15061 (b), (3), of the Guidelines for the implementation of the California Environmental Quality Act because it can be seen with certainty that this action will have no significant effect on the environment.

IMPACT ON CURRENT SERVICES

There will be no impact on current services.

CONCLUSION

This department requests that a certified copy of your Board's action in this matter and a fully executed, original version of the option agreement be sent to Mr. Robert Katherman, Meritage Rolling Hills Golf, LLC, 10300 South Hamilton Avenue, Suite 230 Gardena, California 90248. In addition, it is requested that an original version of the option agreement be retained by your Executive Officer, and conformed copies of the Board Letter and the Amendment be sent to this Department, and to the office of County Counsel.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Tim Gallagher', with a long horizontal flourish extending to the right.

Tim Gallagher
Director

Attachments

c: Executive Officer (22)

TG:SD:optionamend2-7/02/03

**AMENDMENT NO. 2 TO COUNTY CONTRACT NO. 73283 FOR
THE DESIGN AND DEVELOPMENT OF A GOLF COURSE AT
THE PALOS VERDES LANDFILL SITE**

Amendment No. 2 to County Contract No. 73283, Is made and entered into this
_____ day of _____, 2003,

by and between the

COUNTY OF LOS ANGELES, a body
corporate and politic, hereinafter referred to
as "County",

MERITAGE ROLLING HILLS GOLF, LLC
a limited liability company, hereinafter
referred to as "Optionee".

W I T N E S S E T H

WHEREAS, the County and the Optionee entered into County Contract No. 73283 on March 20, 2001 (hereinafter the: "Option Contract") whereby the Optionee obtained an option for a lease agreement for the design, development, and operation of a County golf course at the Palos Verdes Landfill site; and

WHEREAS, the Option Contract was amended on March 31, 2003 thereby extending the term thereof through July 29, 2003; and

WHEREAS, the County Board of Supervisors is authorized by the provision of Government Code 25907 to lease County real property for the provision of services and property improvements consistent with public park and recreation purposes; and

WHEREAS, an amendment for the extension of the term of the Option Contract is consistent with said purposes; and

WHEREAS, the parties agree that the Optionee has continued to experience delays in fulfilling its requirements through no fault of its own or through no fault of its agents or employees, and that these delays warrant the extension of the term of the Option Contract in order to allow the Optionee sufficient time to diligently pursue completion of its contractual requirements;

NOW THEREFORE the parties agree to follow

EXTENSION OF TERM

The Term of the Option Contract hereby extended to the new
date January 2004

ADDITIONAL EXTENSION OF THE TERM

This Option may be extended by the Director of the Option
through fault of its employee delayed
fulfillment of its obligations beyond the date of January 2004. Such
extension shall be at the cost of the Option and shall be limited to
90 days until such time the Option fulfills its requirements.

RATIFICATION

All other terms, conditions, covenants and promises of the Option
Contract affected by this Amendment No. 1 to County Contract
No. 73283 shall remain in full effect and hereby reaffirmed.

4. EFFECTIVE DATE

This Amendment shall be effective on the date of approval
by the County Board of Supervisors.

IN WITNESS WHEREOF, the Optionee has executed this Amendment Agreement Number 2 to County Contract Number 73283, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to the Lease to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board on the day and year first above written.

OPTIONEE
MERITAGE ROLLING HILLS GOLF, LLC

By 
Robert Katherman, Managing Member

COUNTY OF LOS ANGELES


By _____
Yvonne Brathwaite Burke
Chair, Board of Supervisors

ATTEST:
VIOLET VARONA-LUKENS, Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By 
Principal Deputy

SD:c/socoooptionamendNo2
06/25/03